



March 7, 2006

**SUBJECT: RFQ**

Comprehensive Retail Market Analysis as presented to the Cathedral City  
as presented to the Redevelopment Agency Board on February 22, 2006

**CORRECTED AND UPDATED COPY**

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**Substitute complete RFQ that was previously mailed out on March 2, 2006**

- 1) Replacement of RFQ containing a broadened scope of work and new  
submittal deadlines.

On March 2, 2006 inadvertently an earlier version of the RFQ was distributed. Please discard that version. This corrected and updated RFQ contains the actual desired scope of work as well as a revised schedule. Written questions and comments should be submitted no later than 5:00pm on March 21, 2006. Statements of Qualifications are due no later than 5:00pm on April 10, 2006. Interviews of firms to be most qualified will be held the week of April 24, 2006.

Should you have any questions please feel free to contact me at 760-770-0388

Charlene Sumpter  
Redevelopment Agency Project Manager



**REPLACEMENT AND  
CORRECTED COPY**

## **REQUEST FOR QUALIFICATIONS**

### **COMPREHENSIVE RETAIL MARKET ANALYSIS**

**Requested by:  
REDEVELOPMENT AGENCY  
OF THE CITY OF CATHEDRAL CITY**

**Redevelopment Agency  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234**

**Telephone:** (760) 770-0388  
**Fax:** (760) 770-0399  
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**Offering Date March 7, 2006; Statement due date April 10, 2006**

## ***INTRODUCTION***

The Redevelopment Agency of the City of Cathedral City is soliciting a Statement of Qualifications from interested and qualified persons or firms to provide professional services. Professional services rendered will include the preparation of a comprehensive retail market analysis. For the purpose of this study, the definition of retail should be all inclusive, in that any use generating sales tax or that provides a sufficient “destination” that supports ancillary retail should be included. The goal of such efforts is to assist the Redevelopment Agency in focusing future economic development and marketing efforts towards areas that are more likely to be successful. The anticipated work product should:

- (1) Identify current and future economic and market conditions in Cathedral City, its commercial nodes and the surrounding trade areas;
- (2) Identify areas of sales tax leakage, market demand and potential underserved or untapped markets representing target uses for economic development efforts;
- (3) Develop a retail repositioning strategy to encourage appropriate revitalization and development opportunities within Cathedral City;
- (4) Provide a detailed market analysis of existing retail within Cathedral City and identify competing retail centers in the surrounding environs; and
- (5) Provide a list of retailers who fit both the current need and the anticipated growth needs within the City and immediate vicinity.

In short, the analysis is expected to provide the answers to the following specific questions:

- (1) Given our demographics, anticipated growth projections and the current and anticipated competition within the immediate trade area, how much retail can the City support?
- (2) As our population continues to grow and the median income of our residents increases, why is it that the City continues to lose existing retailers and there does not appear to be much demand for some existing vacant buildings?
- (3) What type of retail or which retailers is/are most likely to be successful and are there alternative forms of retail that we should be pursuing?
- (4) Are different marketing approaches appropriate for the various commercial nodes within the community?
- (5) Should we be contemplating zoning and/or land use changes in order to facilitate the most successful retail mix?
- (6) Do we have a niche, and if not, what should it be?

- (7) How can we more effectively partner with other economic development entities such as the Cathedral City Chamber of Commerce, the African-American Chamber of Commerce, the Hispanic Chamber of Commerce and the Coachella Valley Economic Partnership?

## ***OVERVIEW***

Cathedral City is the second largest of nine cities that make up the Coachella Valley. The size of the city is 19.8 square miles with a population of approximately 53,000 permanent residents swelling to approximately 63,000 residents during the peak season (January through approximately April). In general, the City has traditionally had more year-round residents than most of the desert communities and has provided the workforce for neighboring resort communities. The community is more ethnically diverse, younger and has a growing alternative lifestyle population in comparison to most of the desert communities.

The City was incorporated in 1981, and as such does not receive property tax. The result is that the City is heavily dependent on sales tax generated through retail development in order to garner revenue to provide basic services required by our residents.

The City is centrally located in the greater Palm Springs resort area and is close to the Palm Springs Aerial Tramway, San Jacinto National Forest, the Santa Rosa/San Jacinto National Monument, Joshua Tree National Park and the Salton Sea State Park. It hosts the original Big League Dreams ball park featuring scaled replicas of such famous stadiums as Fenway Park and Wrigley Field. The City is home to both the Doral Desert Princess Resort and the Lawrence Walk time share development but has not yet positioned itself as a primary resort location.

## ***THE PROJECT SITES (Commercial Nodes):***

### **DOWNTOWN CATHEDRAL CITY**

Downtown Cathedral City serves as the cultural, social, civic, business and commercial center for the City. The Civic Center, including City Hall, Police Headquarters, Towne Square Park, the Mary Pickford Theater, and the Desert IMAX Theater, strengthen Downtown as the center of the City. A recent addition to the Civic Center includes a 22,000 square foot retail development. Also planned is a 90-room Limited Service Hotel scheduled to break ground in the summer of 2006 as well as additional retail and office space. The Cathedral Town Villas, consisting of 61-moderate income apartments, is nearing completion adjacent to the Mary Pickford Theater and will bring more night activity to the area. Proposed additional development immediately across East Palm Canyon from the Civic Center includes a 300-room Sheraton Hotel and Golf Course, an additional 25,000 square feet of retail and 90 units of rental and ownership

housing. Approximately 180 luxury condominiums are also planned in close proximity to Downtown.

The Downtown Design Guidelines and Zoning Regulations (“Guidelines”), adopted in July 2002, created two new zones (Mixed Use Commercial and Downtown Residential Neighborhood) within the Downtown core. The Guidelines can be found at [www.cathedralcity.gov/planning/forms&docs/dtguidelines.pdf](http://www.cathedralcity.gov/planning/forms&docs/dtguidelines.pdf). These zoning designations were intended to encourage pedestrian friendly mixed-use development at an urban scale in order to foster additional demand and support for a vibrant, active entertainment oriented Downtown.

The Redevelopment Agency has recently entertained a Request for Qualifications to identify a developer for 23-acres immediately east of the Civic Center. The Request envisioned a comprehensive mixed-use, pedestrian oriented development for this particular opportunity to encompass at minimum two acres of open space that would serve as active open space for the existing and growing residential neighborhoods. This Request for Qualifications was well received by the development

#### **PEREZ ROAD:**

Perez Road, located northerly of the Civic Center and the North Flood Control Channel was developed in the light industrial mode. Many design businesses are concentrated in this area, including flooring, tile, marble and granite and paint and wallpaper outlets. These businesses are interspersed with automobile related uses, given the close proximity of the Auto Center to the west. This commercial node appears to be more stable than most of the neighborhood commercial centers located in other areas of the City and has gained a reputation throughout the Valley as a destination for those seeking to undertake home improvement, and more specifically, flooring projects.

#### **DATE PALM DRIVE:**

Date Palm Drive is a major entry corridor that extends southerly from Interstate Highway 10 to East Palm Canyon Drive with a daily traffic count in excess of 23,000 vehicles per day. Date Palm Drive has been developed with several neighborhood serving retail centers including drug stores, supermarkets and specialty retail. Centers on Date Palm Drive have been negatively impacted recently due to the loss of several Big Box anchor tenants such as Wal Mart, K-Mart and Levitz Furniture and the scheduled loss of Sam’s Club in April, 2006. The reuse of the vacant big box buildings is of major concern to the City as well as achieving an appropriate tenant mix in outlying vacancies that have occurred as a result of the loss of the anchor tenants.

## **RAMON ROAD:**

Ramon Road serves as another Gateway to the City and is Cathedral City's main east/west commercial corridor. It connects several cities in that it extends from the Palm Springs Airport (located in Palm Springs, through Cathedral City and continuing to Rancho Mirage. Ramon Road is home to used auto sales, auto repair shops, a bowling alley, self-storage and other commercial servicing retail. Major Big Box Centers have recently been completed and are under construction on Ramon Road in adjoining cities. This thoroughfare enjoys large traffic counts., with in excess of 40,000 vehicles transversing portion of this road on a daily basis. More detailed traffic counts for Ramon and the other commercial nodes are available at <http://www.cathedralcity.gov/Engineering/traffcounts.htm>

## **EAST PALM CANYON:**

East Palm Canyon Drive, formally known as State Highway 111, is the major highway running throughout the Coachella Valley. The State Highway designation has been abandoned solely in Cathedral City in order to provide the City with greater flexibility in design and more local control for maintenance. .

East Palm Canyon Drive is home to the Cathedral City Auto Center which houses new car dealerships, including but not limited to Palm Springs Volvo, Crystal Chrysler/Dodge/Jeep, Jessup Auto Plaza, Spreen Saturn, Toyota of the Desert, Desert Lexus, Palm Springs Nissan, Honda of the Desert, Palm Springs Subaru. Also located on East Palm Canyon, but not within the Auto Center is O'Brien Hyundai and Palm Springs Motors (Ford and Mercury Dealership). The City is highly dependent on sales tax generated from auto sales and broadening the economic base is desirable. A 2004 traffic count on portions of East Palm Canyon indicates approximately 45,000 cars transverse this street on a daily basis.

## **NORTH OF INTERSTATE 10:**

Undeveloped land north of Interstate 10 is slated for future commercial development and offers the greatest potential for large scale commercial given the freeway exposure. The development potential of this area is challenged by Multi-Species Habitat, and a multi-jurisdiction Multi Species Habitat Conservation Plan is now under discussion. The Plan proposes to allow development in some of this area, while the balance would be held for conservation. More detailed information will be provided in the near future. Additional acreage northerly of Interstate 10 falls within the City's Sphere of Influence. Annexation of this area is anticipated within the next five years.

## ***PROJECT GOALS AND OBJECTIVES***

Cathedral City is experiencing unprecedented growth and development in and around the sites described above. The City's population increased 25% from 2000 to 2005. These "Project Sites" or commercial nodes are becoming even more important community resources as they are the primary source of sales tax that is the primary revenue source available to the City to provide basic services required by our residents. To that extent, the Agency is keenly interested in knowing how to best capture the maximum sales tax generating potential of these areas now and in the future.

## ***SCOPE OF WORK***

1. Overall analysis of retail potential for the commercial nodes identified above. Factors to be considered must include (but not be limited to):
  - Psychographic analysis of households within the trade area
  - Demand for retail goods and services
  - Existing retail and retail trends in the trade area and surrounding region
  - Site setting, situation and configuration
  - Growth plans and relevant developments
  - Retail goals of the community
2. Development of drive-time trade areas around each selected site. Drive-time analysis to factor in the following components:
  - Time of day
  - Street networks
  - Traffic flows
3. Determine psychographic profile of each commercial node studied.
4. Assess the retail trade potential (over 400 consumer products and services) for each commercial node studied.
5. Provide list of all national credit tenant retailers (4500+) that match Cathedral City's psychographic profile.
6. Work with Agency staff to narrow listing of preliminary matches to twenty (20) desired retailers that could be attracted to Cathedral City.
7. Prepare a recruiting package with pertinent market information that, specific for the specific commercial node and to each identified match, can be included as supplemental promotional and marketing materials for Cathedral City's marketing efforts. Each package shall include:
  - Map of the retail site and trade area
  - Map of potential customers for the retailer
  - Retail match report that compares the site's trade area characteristics with the retailer's similar existing locations

- Demographic and psychographic analysis of the trade area
  - Explanation of methodologies employed
8. Provide names and contact information for real estate representatives and decision makers for each of final twenty (20) retailers selected by the Agency.
  9. Make other recommendations as seen pertinent to the study.

The final product will be a comprehensive retail strategic plan with goals and objectives that are to include the following:

- Facilitate the development of each commercial node to their respective maximum best use
- Maximize the opportunities for new sales tax revenues to the Cathedral City
- Reduce the leakage of sales tax dollars from Cathedral City residents
- Optimize future employment opportunities for local residents
- Provide decision makers with a “Standard of Measure” to use in analyzing development proposals.
- Provide recommendations concerning appropriate and effective partnerships among the Cathedral City Redevelopment Agency and economic development partners including the various Chambers of Commerce and the Coachella Valley Economic Partnership relative to retaining and attracting retail businesses

The successful consultant(s) will be required to meet with Agency staff and others prior to entering into a contract to identify pertinent issues in development of a plan and to determine the type and magnitude of effort needed to address the studies and objectives.

The consultant’s review may consider the following information as resource material in conducting the study. Those documents maintained by Agency staff will be provided to the consultant upon request.

1. Cathedral City Population and Demographic Study
2. Comprehensive Land Use Plan and Zoning Map
3. 2004 Traffic Counts as available throughout the City

In addition to the aforementioned resource information, staff will provide any additional data or information requested reasonably available.

## ***PROPOSAL REQUIREMENTS***

Interested firms and individuals shall provide five copies (and one unbound copy) of their qualifications relative to the objectives being sought in the Request. Each Qualification Statement shall contain a brief description of the Proposer's understanding of the project requirements, their relevant qualifications and a brief description of the approach they recommend to best achieve the City's/Agency's needs. This shall include:

### **1. Statement of Understanding**

Provide a written summary of your understanding of the project requirements and the services required.

### **2. Approach to the Project**

Describe the methodology to be used in reaching the stated objectives of the Scope of Work

### **Management Plan**

Provide a management plan to ensure reliable, cost-effective service under the Scope of Work contained herein. The management plan shall identify the staffing assignments and any collaboration with other firms and/or consultants. Identify the staff personnel, in particular, the Project Manager, who will be assigned to the project, and their specific roles in the day-to-day administration of the project. Indicate if any work will be contracted out to sub-contractors or sub-consultants.

### **3. Personnel Costs**

Indicate all hourly rates of personnel assigned to this project. Indicate if any of the personnel assigned to this project will require overnight lodging expenses. Indicate the mark-up for any sub-contractors or sub-consultants.

### **4. Experience/Past Performance**

Included a description of complete or current projects, which are similar to the proposed project and which demonstrate competence to complete the Scope of Work for this project. For each project, provide an overview of the services provided, the individuals involved and their responsibilities, the date of completion, the agency or group for which the work was performed, and specific references (names, addresses and telephone numbers).

The team for this effort should identify specific individuals by name, resume and periods of employment. Provide information regarding their responsibilities for relevant past projects. Indicate if the Project Manager and staff assigned to this project are the same staffs who were assigned to the projects that have been cited as examples of previous related experience. Include proportionate time allocation for each team member. Provide information on the background and experience of any anticipated sub-contractor or sub-consultant.

#### **5. Proposed Schedule**

Provide an estimated time schedule for beginning and completing the desire product.

### ***EXHIBITS***

MAPS IDENTIFYING THE ENTRY AND COMMERCIAL CORRIDORS

### ***CONFERENCE TO DISCUSS PROJECT OBJECTIVES***

On Monday March 30 at 9:00 Am., Agency staff will conduct a pre-solicitation conference in the City Hall Council Chambers, 3<sup>rd</sup> Floor 68-700 Avenida Lalo Guerrero, Cathedral City, California 92234 to discuss project objectives and to answer questions from prospective developer/design teams. If possible, questions should be submitted in writing no later than 5:00pm on March 21, 2006 for consideration at the conference. Questions should be addressed to:

Charlene Sumpter, Redevelopment Project Manager  
Cathedral City Redevelopment Agency  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234  
Or by e-mail at [csumpter@cathedralcity.gov](mailto:csumpter@cathedralcity.gov)

### ***SELECTION PROCESS***

A committee of staff members from the City of Cathedral City, as well as representatives from the business community, will review each Qualification Statement and will conduct an interview of those firms that appear to be best qualified to perform the work. Interviews are anticipated to be held the week of April 24, 2006.

Staff will then request from selected firm (s) a specific scope of work and negotiate the terms of the contract(s) for recommendation to the City Council/Agency for final contract approval.

## ***SUBMISSION OF STATEMENT OF QUALIFICATIONS:***

The Request for Statement of Qualifications will be mailed on March 7, 2006 and will be due no later than 5:00 p.m. on April 10, 2006. Statements of Qualifications shall be mailed to:

Jan Davison, Redevelopment Director  
City Hall  
City of Cathedral City  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234

# EXHIBITS

MAPS IDENTIFYING THE ENTRY AND COMMERCIAL CORRIDORS























